Resolved

Shareholders request that Capri Holdings Limited ("Company") issue an annual sustainability report describing the Company's policies, performance, and improvement targets, if any, related to material environmental, social, and governance (ESG) risks and opportunities. The report should be available to shareholders within a reasonable timeframe, prepared at reasonable cost, and omit proprietary information.

Supporting Statement

Strong management of material ESG risks has a positive effect on a company's long-term shareholder value. Failure to adequately manage and disclose performance on material ESG factors can pose significant regulatory, legal, reputational, and financial risk to a company and its shareholders.

The Sustainable Accounting Standards Board (SASB)'s standards provide an example of one framework for identifying material ESG issues and uniformly disclosing sustainability-related information to shareholders in a cost-effective manner. SASB identifies Capri Holdings Limited material ESG issues as: management of chemicals in products, environmental impacts in the supply chain, labor conditions in the supply chain, and raw materials sourcing. The Global Reporting Initiative's Sustainability Reporting Standards may also provide useful assistance.

Presently, the Company provides negligible disclosure on sustainability issues, with only legally mandated reporting publicly available on the company's website (Disclosure under the California Transparency in Supply Chains Act and UK Modern Slavery Act and the US Conflict Minerals Rule). The Company indicated in its 2018 proxy statement that a Corporate Social Responsibility (CSR) Task Force had been convened to develop a long-term strategy for CSR; there have been no additional sustainability disclosures.

For example, the Company does not disclose its process for identifying and analyzing environmental impacts in the supply chain, nor does it disclose management of chemicals in its products. These issues, if not adequately assessed and addressed, pose risks arising from litigation, reputational damage and supply chain disruptions.

Lack of disclosure challenges investors' ability to comprehensively evaluate the Company's management of ESG risks and opportunities; investors are therefore increasingly calling for improved corporate disclosure of performance on material ESG issues. The Governance & Accountability Institute reports 86% of S&P 500 companies and 60% of Russell 1000 peers engaged in sustainability reporting in 2018. One of the United Nations' Principles for Responsible Investment (PRI) is to seek "appropriate disclosure on ESG issues"; the PRI has more than 2,300 signatories with over $86 trillion in assets under management.

The SASB Investor Advisory Group, composed of global asset owners and managers with $26 trillion in assets, (including Blackrock, Vanguard, and State Street Global Advisors) seeks consistent, comparable, and reliable disclosure of material, decision-useful sustainability-related information from corporate issuers. In January 2020, BlackRock indicated that it is asking the companies they invest in on behalf of clients to disclose in line with industry-specific SASB guidelines by year-end or disclose a similar set of data, and to disclose climate-related risks in line with the TCFD's recommendations.

Without appropriate disclosure, investors and other stakeholders cannot adequately assess how the Company is managing its material ESG risks and opportunities.